

						2011 Session	
						LRB or Bill No./Adm. Rule No. DCF 52, 54, and 57	
						Amendment No. if Applicable	
<div style="float: right; width: 40%;"> <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL </div> FISCAL ESTIMATE DOA-2048 N(R03/97)							
Subject Regulation of rates charged by residential care centers for children and youth, child-placing agencies, and group homes.							
Fiscal Effect State: <input type="checkbox"/> No State Government costs <input checked="" type="checkbox"/> Indeterminate Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.						<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation							
1. Local: <input type="checkbox"/> No local government costs <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Indeterminate 3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S				Affected Ch. 20 Appropriations			
<u>Assumptions Used in Arriving at Fiscal Estimate</u> <p>2009 Wisconsin Act 28 directed the Department to implement rate regulation effective January 1, 2011. Prior to the passage of Act 28, the rates charged by Group Home and Residential Care Centers (RCCs) varied widely. Group Homes and RCCs were able to set their own rates and to charge those rates to the Department and County Child Welfare agencies. From 1998 to 2009, the cost of a Group Home placement grew an average of 5.8% annually and the cost of a RCC placement grew an average of 6.1% annually. At the same time, the Consumer Price Index grew an average of 2.4% annually. The current system lacks transparency, predictability and consistency across counties. In addition, the cost of a placement is not related to the complexity or quality of care provided to a child.</p> <p>By regulating rates, the Department expects to achieve cost containment, transparency, and consistency across counties. In addition, the rate regulation initiative will enable the Department to align rates with the complexity and quality of care provided to a child. The fiscal impact to the Department and county child welfare agencies cannot be determined because individual provider rates have not been certified.</p>							
Long-Range Fiscal Implications							
Agency/Prepared by: (Name & Phone No.) Nick Bubba (266-5422) DCF Budget Analyst				Authorized Signature/Telephone No. Bob Nikolay (261-4349) DCF Budget Director		Date 4/14/11	